

THIRTY FIVE CENTS

MARCH 1957

# MONTHLY REVIEW

AN INDEPENDENT SOCIALIST MAGAZINE

**FRAGMENTS FROM F.D.R.**

EDGAR SNOW

**REPORT FROM MOSCOW**

LEO HUBERMAN

**WHY MORE COLD WAR?**

THE EDITORS

VOL. 8

11

*Militarism and Progress*

PAUL A. ROSEN

EDITORS . . . LEO HUBERMAN . . . PAUL M. SWEEZY

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MONTHLY REVIEW: Published monthly and copyright, 1957, by Monthly Review, Inc.

EDITORIAL AND BUSINESS: 218 West 10th Street, New York 14, New York.

Telephone: ORegon 5-4939.

MAILING ADDRESS: 66 Barrow Street, New York 14, New York.

Address ALL communications to 66 Barrow Street.

SUBSCRIPTION PRICE: One year—\$4; two years—\$7.

By 1st class mail—United States \$6; everywhere else \$7.

By air mail—No. America \$8; So. America \$13; Europe \$17; Asia \$24.

EDITORS: Leo Huberman and Paul M. Sweezy.

## NOTES FROM THE EDITORS

As we go to press, *American Radicals: Some Problems and Personalities*, edited by Professor Harvey Goldberg of Ohio State University, is about to be distributed to prepublication purchasers. However, there will still be time after this issue reaches you to realize the big savings that are yours if you get your order in before March 25th, the date of publication. The prepublication price of \$3 will go up to \$5 on that day, and the combination book-and-sub price will rise from \$6 to \$7. This is a book of great interest to all who are concerned about the past, present, or future of the American radical movement—and we know that includes all MR readers.

*The Political Economy of Growth*, by Professor Paul A. Baran of Stanford University, will be ready for distribution sometime in March and will be published in April. And *The Chinese Economy*, by Solomon Adler, former United States Treasury attache in China, is entering the production process. Prices, both pre- and postpublication, for each of these books are the same as for *American Radicals*, and we believe they will be no less indispensable to MR readers.

The Sweezy case is scheduled for oral argument in the United States Supreme Court on either March 4th or 5th. We printed up extra copies of the very able brief prepared by Professor Thomas Emerson of the Yale Law School and will send them on a first-come-first-served basis to readers who contribute \$2 or more to the defense fund.

(continued on inside back cover)

## WHY MORE COLD WAR?

Just a year ago, we wrote that

no country can win a cold war. . . . The basic reason is that while the objective of cold war must be to win friends and isolate enemies, the very act of waging it repels friends and makes more enemies. *Waging a cold war and winning a cold war are thus mutually exclusive.* ("We Can't Win the Cold War," MR, March 1956, p. 438. *Italics in original.*)

What a demonstration of this truth we are now getting! Two months ago, Washington seemed literally to be sitting on top of the world. The British and French had knocked themselves out in Egypt. By their intervention in Hungary, the Russians had lost more than they gained from supporting the Arabs against imperialist aggression. The United States, on the other hand, had emerged from both crises unscathed and with her international prestige at a ten-year high. New vistas were opening up, the era of the New American Empire, of the much talked-of *pax Americana* seemed at last to be dawning.

Then came the Eisenhower Doctrine, at bottom a declaration of renewed cold war. Since then, all the castles in the air have crumbled. Washington has lost control over the situation—American policy has gone from defeat to defeat, and the worst is still to come.

The Arab countries thought for a brief moment that they could play ball with Washington; now they find that they will be accepted only as cold-war satellites. The decadent feudal classes, symbolized by the Iraqi premier Nuri es-Said, are willing and anxious. But not so the leaders of renascent Arab nationalism: quite apart from their personal preferences, their power depends upon their decisively rejecting such a role. And as they turn away from Washington and toward Moscow for support, they automatically lose whatever incentive they may have had to adopt a moderate policy toward Israel.

The upshot is that all the quarrels and contradictions in the Middle East are exacerbated, at the same time that Washington's power to mediate or otherwise influence the outcome is steadily reduced. Eisenhower and Dulles think to right the situation by wooing the *opera bouffe* monarchies of the region. Apparently, the fate of ex-King Farouk of Egypt and his British backers means nothing to

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them. The truth, it seems, has not yet dawned on them, that they have now succeeded in maneuvering themselves into a situation in the Middle East from which the *only* possible escape is negotiation and agreement with the Soviet Union! The Goddess of History is fond of irony, but rarely does she go to such extremes to indulge her fancy.

Meanwhile, the posture of the United States in the Far East becomes positively ludicrous. A serious policy would have to aim at winning India as an ally and, with India's help, working out a *modus vivendi* with China. Instead, Washington gets more and more deeply committed to Pakistan and shakes with righteous indignation each time Chou En-lai hints at the terms of a possible bargain. The ultimate in absurdity was reached when Mr. Dulles revealed in his February 5th press conference that the wicked Chinese Reds were trying to blackmail him by offering to release the remaining American prisoners if he would allow United States newspaper correspondents to go to China and see what is happening there! Comic opera, it would seem, is by no means confined to King Saud and his solid gold Cadillacs.

But maybe things are going better in Europe?

Unfortunately for Messrs. Eisenhower and Dulles, they are finding their European friends no more tractable than the unruly Africans and Asians—and the oilmen of Texas are in no mood to help them. Money doesn't smell, says an old Latin proverb, but these slippery gentlemen have a sixth sense that enables them to spot it half way around the globe in either direction. They seized upon the closing of the Suez Canal as an excuse to jack up the price of oil, and they will move heaven and earth to make the increase stick. So the Texas Railroad Commission refuses to up the "allowables" and the flow of oil to Europe dwindles to half of what was promised. The effect can only be to accelerate a process which was already under way—the crumbling of the North Atlantic alliance. But is a Railroad Commission in the once-sovereign Republic of Texas to concern itself with international alliances—or even with railroads for that matter? Alas for dreams. . . .

How serious the situation of the Atlantic alliance really is was the subject of a remarkable column by James Reston in the *New York Times* of January 27th. When you read these excerpts, keep in mind that Mr. Reston is a firm supporter of NATO—and also one of the ablest and best informed reporters in Washington:

The crisis in the Western alliance is not over. It is, indeed, just beginning.

The British are talking about cutting their defense budget

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by \$1,120,000,000, reducing their term of military service, eliminating their fighter command, and withdrawing most of their troops from Germany.

The French have already shipped most of their crack North Atlantic treaty troops to North Africa. Germany and Japan are refusing to meet the defense levels Washington thinks they can and must meet if even a minimum security structure is to be maintained. . . .

In short, while we are making vast pronouncements and arguing over what to do in the Middle East, the strength of the alliance is slipping away, and the burdens of defense are slowly being transferred to Uncle Sam.

To paraphrase the remark of another famous man, Mr. Eisenhower did not become President of the United States to preside over the liquidation of the alliance he did so much to build. But that process is now going on apace.

The reasons for this, of course, go much deeper than the quantities of oil currently being delivered to Europe—or indeed than the whole Suez crisis. Basically, Europe is coming to realize that it is defenseless in an era of A- and H-bombs and it is beginning to give up the costly pretense involved in maintaining huge military establishments.

This is almost certainly a one-way street, and at its end lies some form of European neutralism. But whether this neutralism will eventually engulf all of Western Europe and result in the expulsion of the United States from the whole area is still very far from settled. It all depends, as they say. And what it depends on is whether the United States will be willing and able to negotiate with the Soviet Union a security arrangement which would be in the real interests of the Europeans themselves. If so, the American presence in Western Europe, and indeed a modified form of the Atlantic alliance, can be preserved because it would be advantageous to Western Europeans to preserve it. If not, the time will come, maybe years or decades hence but surely nonetheless, when Americans will no longer be welcome in any part of Europe because their presence will be a growing threat to the well-being of the inhabitants.

So we reach the same conclusion for Europe as for the Middle East: United States foreign policy has landed us in a mess from which there is only one way out—negotiation with the Soviet Union.

Moscow understands this and with characteristic Bolshevik optimism apparently thinks that Washington either does or soon must, too. This explains why, after several months' interruption, the Russians have once again begun to put out unofficial feelers for a "new deal" in Soviet-American relations. *Business Week*, which is

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always well informed and usually reliable, reports the story as follows in its issue of January 26th:

Soviet officials in Washington are privately talking up the opportunities for U.S.-Soviet deals, both in the Middle East and in Europe. The terms:

In Europe, a roll-back of U.S. and Soviet troops without prior political agreements—but including the withdrawal of the U.S. from air bases in Europe and the neutralization of Germany.

In the Middle East, scrapping the Baghdad Pact and the Eisenhower Doctrine—in return for Soviet help in bringing Nasser and his Arab allies to accept a Suez settlement and the permanence of Israel. (There would be no Soviet promises to desist from inciting the nationalization of Western oil interests.)

This all sounds quite promising—on the assumption that what Washington is really looking for is (a) a genuine stabilization of the Middle East, and (b) Soviet concessions and guarantees to compensate for the inevitable decline of NATO. But *Business Week* is quite positive about one thing: "Deals on such terms wouldn't even get a hearing in Washington."

Why?

Because to reach a broad settlement with the Soviet Union would mean calling off the cold war.

But why not call off the cold war, seeing that every attempt to wage and win it fails more ignominiously than the last one? Why not try something else for a change?

Here at last we reach the spot where the dog is buried. Why not, indeed? *Because American capitalism lives on cold war, and American capitalism has no desire to commit suicide.*

The most striking evidence we have seen on this point in a long time comes from a very recent study by a West German social scientist, Friedrich Pollock, of the Frankfurt-am-Main Institute for Social Research.\* How many jobs in the United States in 1954 depended on the fact that the American economy had many of the characteristics of what the Germans call a *Wehrwirtschaft*—a "defense economy"? This is the problem Pollock poses, and on the basis of conservative assumptions he comes up with the answer of at least 10 million. And then he proceeds:

If this figure were correct (and undoubtedly it is much too low), it would mean that some 15 percent of the American

\* Friedrich Pollock, *Automation: Materialien zur Beurteilung ihrer ökonomischen und sozialen Folgen*, Frankfurt, 1956. This is by far the best socio-economic study of automation yet to appear. It is reported that an English translation will soon be published.

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labor force would have been superfluous for the maintenance of the 1954 standard of living. An indication that this figure is adequate for the purpose of illustrating the orders of magnitude involved comes from the fact that the last year of a peace economy, 1938 (which was also a year of recession), saw about 19 percent of the labor force unemployed—an absolute number amounting to more than 10 million. (P. 66.)

Ah, but there are plenty of other ways of employing these 10 million outside the armed forces and the armaments industries, we shall be told by our friends the liberal economists. And we agree with them. But don't they have to agree with us that for more than a quarter of a century now American capitalism has not found how to do it? And why should we or they assume that an attempt made during the 1950s would be more successful than the several attempts made during the 1930s?

The leaders of American capitalism, at any rate, are not interested in any such wild experiments. Their problem is rather the reverse—how to step up, not cut down, the rate of military spending. A perceptive reader of the business press cannot have failed to note a change in tone lately (for some reason, this has been particularly marked in the *Wall Street Journal*). The confident optimism of last summer has given way to an attitude of worried caution. Automobile sales are disappointing, new housing starts are down from a year ago, the warehouses are bulging with many kinds of consumer and producer durables, the stock market is nervous and jumpy. Worst of all, General Motors and General Electric have both recently cut back their capital expansion programs—not very much, to be sure, but then, a straw in the wind is never the storm itself. Could 1957 be the year of the turn, the last year of the longest prosperity on record?

For all the talk about inflation—and no doubt much of it reflects genuine concern—it is these problems, at bottom problems of *deflation*, that worry the Big Boys most. And to that worry there is a standard reaction—more cold war, more arms spending.

Hence the Eisenhower Doctrine. Hence the proposed bigger military budget for fiscal '58. Hence no deals with Moscow.

It isn't quite that simple, of course. There are other factors involved, some of them important. But that's the heart of the matter.  
(February 10, 1957)

## REPORT FROM MOSCOW

BY LEO HUBERMAN

In Warsaw, the journalists, economists, government officials, and friends with whom I talked were eager to discuss politics—the problem was to get them to stop. In Moscow, I stayed longer, talked to the same kinds of people, met with a friendly response in every case—but came away finally without the story I was seeking.

The Russians were reluctant to discuss politics. They were cagey—but that was only part of the reason. The other part of it was simply that whereas in Poland the changes since the Twentieth Congress have been dramatic and deep and thus easy to pinpoint, in the Soviet Union the changes have been much less dramatic, much less far-reaching, and therefore much more difficult to put your finger on. What follows, then, is not the political story; it is about other things I saw, some important, some unimportant.

### Education

The West fears most the Soviet Union's H-Bomb and other weapons. Of far greater moment, certainly in the long run, is the Soviet Union's concentration on a weapon of a different type—education. If ever there was a nation going to school, this is it. The goal for 1960, Mr. Arsemjev, Vice Minister of Education, told me, is to have compulsory education from 7 to 17 years of age. If the program succeeds, the Soviet Union will be the first country in the world to achieve that goal. From 7 to 11 the problem is already solved; from 11 to 14 they are well on their way, though there is still some building shortage; from 14 to 17 there is a big shortage of buildings necessitating a two-shift system in one-third of the classes. They build annually over two thousand schools for this older age group, but they need seven to eight thousand. By 1960, Mr. Arsemjev says, they will have all the buildings and equipment they need. If progress in the past is a measure, his prediction will be accurate; each year the national budget grows by four percent, but the budget for education grows by ten percent.

There are, in the USSR, just short of 400,000 libraries. I went on a tour of one of them, the Lenin Library in Moscow, the largest in the world with approximately 17 million volumes and 2 million manuscripts. Its various reading rooms seat 1800, and the new addition now being built will accommodate another 1000 readers. There



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are libraries in the collective farms and big factories—one of the auto plants has close to half a million books.

Some 55,000 titles are published each year—in 1955 they totalled roughly 1.5 billion volumes. One can find bookshops in Moscow everywhere—I saw one in a station of the Metro. And always they are crowded with customers. There is, I was told, one bookshop for every 1000 families in the Soviet Union.

Of particular interest to me were the classes in English which I attended at the Moscow State Pedagogical Institute of Foreign Languages where 180 teachers give a five-year course to 867 students, and at the Moscow University where students in physics, chemistry, and other sciences are taught to read scientific literature in English.

Some of the instruction was excellent, some quite poor. In one third-year class at the Institute, I saw a girl read an extract from an English story into a recording machine while the class of seven students were busy taking notes. When she had finished, the tape recorder played the passage again, and the students gave their criticisms: "The last syllable of the word *anything* was not pronounced distinctly." "In the sentence 'You can't go by tube tonight,' she pronounced the word can't with a special rise."

In another class of nine students there were some first rate oral reports of articles in the English-language press, given with marked fluency. Then three students went into separate "cabins" and translated a BBC broadcast into Russian while the rest of the class listened through earphones. Discussion of the translation followed.

The class at the University was as bad as the others were good. The teacher gave each of the ten students about 12 minutes to memorize a few paragraphs of a short story entitled "Art for Heart's Sake" by Rube Goldberg. It was an impressive performance—one student after another got up and rattled off by heart a passage containing American slang of a sort I had never heard myself—but I could see no point in it. Training in memorization, yes, but learning to read English, no.

The new Moscow University is a large ornate building accommodating some 9000 students with dormitories for 6000, and 184 apartments for the staff. The lecture rooms, auditoriums, and laboratories are modern in every respect and well-equipped. On one of my visits there I was invited by eight or nine students to a dormitory room for a discussion. I asked them if they wanted to exchange greetings, or talk things over frankly. They wanted frank talk and we had it for two hours.

To my charge that there was no freedom of speech in the Soviet Union they answered that there was—they could question,

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criticize, argue to their heart's content. But this, they admitted, had to be "within the framework of Marxism-Leninism": anyone outside that framework was liable to punishment and rightly so. I pointed out that by the logic of their argument, the government of the United States was behaving correctly in clapping Communists in jail. This stumped them for a moment until one boy answered, "No, because ours is a workers' government representing the majority of people, while yours is a capitalist government representing a minority." Further discussion made it quite plain that we had entirely different concepts of the meaning of freedom of speech.

They deplored the fact that the press in the United States told lies about the Soviet Union. I admitted this was true, and suggested that their press lied about us. They wanted an example and I said that they were led to believe, from their press, that the workers in the United States don't get enough to eat. To this there was a chorus of "Nyet!" On the contrary, said one of them, they know that American workers are well off materially and they are trying to catch up to our standard.

### Moscow

I went to Moscow after East Berlin and Warsaw and the contrast was strikingly apparent. East Berlin is dark, drab, depressing, with almost no life on the streets. Warsaw is much livelier but not in the same league with Moscow where the cars, buses, trolleys, and crowds of people everywhere remind one of Paris and New York. I was last in Moscow in 1929 and the change is immediately visible—beautiful, broad, well-lighted highways, big new buildings, well-stocked shops.

### Housing

This is a big problem. Even though there are areas of Moscow where the building cranes, several stories high, are as plentiful as oil wells in Southern California, there is still a housing shortage. On the outskirts of the city, whole new districts are being built, with big developments like Stuyvesant Town in New York. I visited friends in two of these new developments. They are much better than the old housing quarters, with all modern conveniences, but not up to American standards. In one of the rooms, the doorknob came off in my hand; the doors get out of line and won't close, plaster comes off. Rents are very low, but space is not nearly adequate for good living.

### The Metro

The stories are true. The Metro stations are much too ornate, but they are clean, well-marked and well-lighted—and the trains

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run very frequently. By comparison, our subways are scandalously inferior.

### Stalin

I saw a life-size mosaic of Stalin on the walls of a Metro station. In every building I visited I saw at least one picture of Stalin. The queue waiting for a glimpse of his body, and Lenin's, at the famous mausoleum in Red Square was blocks long, every day. I had the eerie feeling that the throng of people inching along slowly was a continuation of the line I had seen in 1929!

### People's Court

Since I am on jury duty in New York City every two years, I was interested in courtroom procedure in Moscow. The case I saw was one of a woman charged with attempting to rifle another woman's handbag in a department store. There were three judges: one a graduate of a law school and two "assessors" elected to serve for a period of several months.

The incident had taken place only two weeks before the trial; the woman told her story, the plaintiff hers, corroboration by two witnesses, questioning by the lawyer for the defense, statement by the prosecutor, the verdict read by the judges—guilty, fined 25 per cent of her earnings for one year; all in a matter of some 40 minutes. My interpreter gave me a running account of the proceedings and I felt that justice had been done. I marvelled at the speed—in New York I have never sat on a case that wasn't at least two years old before it came to the jury, and once the case starts, the fencing over legal technicalities itself takes hours.

### The Press

I don't see how the Russians can possibly know what's going on in the world. Certainly their press doesn't give them the news as we know it. My interpreter read *Pravda* to me every day; in addition, I had the Digest of the Soviet Press which gives, in English, the lead stories from other newspapers and magazines. Roughly six or seven columns each day were devoted to what we are accustomed to thinking of as news—say an account of a talk at the UN by Shepilov, what was happening in Hungary, the message from Nehru to Bulganin on disarmament. The rest was the kind of article we would run in a Sunday feature section—The Kura River Dam, New Steps in Health Care, Students Prepare for World Festival.

There was an exchange of letters one day between French and Soviet writers on Hungary; and another day a letter from an English

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trade union council protesting Soviet intervention in Hungary was printed with a Soviet reply. This, I was told, was a marked advance—in the old days only the replies would have been published. But evidently the ice has not been completely broken since Tito's comments on Hungary were only printed in part, with Soviet answers.

### General

I walked through the big G.U.M. department store on Sunday. The crowds there made Macy's Christmas rush look like a tea party. Muscovites told me that G.U.M. is known all over the Soviet Union and the shoppers were mostly from the provinces. The better shops, they said, were on Gorki Street. I looked at the shops on Gorki Street, and the clothes did look much smarter.

The shops, in general, were all well-stocked with goods; and, whatever they were selling, they were always crowded—particularly food stores. No matter whether they were regular shops, or ice cream stands on the streets, or bookstores in the Metro, there were always plenty of customers (the only exceptions were the very high-priced, swank, women's apparel shops).

I saw a performance of Lillian Hellman's "The Autumn Garden" at the Moscow Art Theatre. The cast was excellent but the set, supposed to show a run-down boarding house in the South, was much too lavish. The house was packed and between the acts the audience goes to the buffet and walks around in pairs in a circle much as Zoshchenko describes it in his short story "The Aristocrat."

The puppet show which I attended another evening lived up to its reputation. Superb.

From Moscow I flew to Prague in the TU-104, the famous jet plane, first commercial jet in the world. On Russian planes there are no seat belts; on ordinary planes none are needed, but the jet takes off so fast that I had to brace myself against the table in front of me to keep from being thrown over. Once in the air everything was fine—quietest plane I've ever ridden, three friendly stewardesses, excellent meal. I followed two passengers into the pilot's cabin and had a good look at the instrument board and the six members of the crew at work.

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*I met 100 men on the road to Delhi, and they were all my brothers.*

—Indian Proverb

*If there be one man who does not work, then there is another who is crying for hunger.*

—Chinese Proverb

## FRAGMENTS FROM F.D.R.—Part II

BY EDGAR SNOW

### On China and Russia

With due respect for legitimate criticisms made of Roosevelt's China policy during World War II, it must be admitted that he carefully avoided falling into one error which could have been disastrous. He never counted on Chiang Kai-shek playing a major role in the military defeat of Japan. Despite great pressure at times he made no serious sacrifices to satisfy the sentiments of "Asia Firsters" at the expense of urgent strategic needs in Europe and Russia. He understood the political importance of keeping "Free China" in the war and of preventing a complete collapse of an organized Chinese "front." But he realized that this depended first of all on China's own internal mobilization of her manpower and productive energies and that until this was carried out effectively foreign aid could not do much.

I talked with F.D.R. about China enough to know that he was aware, even in 1942, that Chiang's oligarchy lacked enthusiastic popular support. He genuinely hoped to see our aid used to bring about social, economic, and political advances there. For example, he took a personal interest in Chinese industrial cooperatives and made efforts to persuade the Generalissimo to give wholehearted backing to that promising but ill-starred attempt to organize an economic basis for democracy in China.

By 1945 he recognized the growing strength of the Chinese Communists as the effective government of the guerrilla areas. He told me he was considering giving them direct help against Japan. He had no intention of repudiating Chiang Kai-shek's regime but he regarded cooperation with the Reds as a matter of military expediency—and he may have thought it useful to beat the Russians to Yenan. Possibly Roosevelt also conceived of such a gesture as a means of coercing the Generalissimo into modifying his regime so as to strengthen and stabilize it as the political center of a united and progressive China. I do not know how seriously he considered Communist victory a possibility. He was certainly aware of the

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*This is the second of two articles in which Edgar Snow, one of America's best-known foreign correspondents and author of Red Star Over China, publishes for the first time parts of his notes on three wartime interviews with F.D.R. The first article appeared in the January issue.*

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danger of a renewal of civil war in the midst of the struggle against Japan. He personally warned Chiang against that during their conference in 1943.

"Over in Cairo," he said to me on May 26, 1944, "I told Chiang and Mme. Chiang that they had to do something to get together with the Reds. I said that we were not going to get involved in any civil war situation over there and that we wanted China united against Japan."

"If they don't work out some kind of coalition now or in the near future," I said, "there may be large-scale civil war even before Japan is defeated or soon afterward."

"I'm inclined to agree with that," he replied. He already saw it as a definite responsibility of United States policy to bring about a compromise between the two camps. "Off the record I will tell you," he went on, "that two and a half months ago Chiang did agree to let us send some of our people to Yen-an and let them stay there. Some kind of hitch developed and the Generalissimo asked us to wait a few weeks. Now I'm interested to see that Chiang has agreed to let the correspondents into Yen-an. (Chungking had imposed a blockade against Yen-an and had refused foreign correspondents permission to visit there after 1939.) Off the record, too, we're sending somebody (for the government) with them and he will probably stay there afterward."

By 1945 the United States had intervened in China's internal political affairs to a degree probably unprecedented in our past policy anywhere. The attempt was to prevent Chiang from seeking a military solution to the Communist problem—which would certainly have led to a much earlier disaster for him—and, instead, to seek to bring about a basic agreement legalizing other parties, including the Communists, to make possible political unification under a provisional representative government. General Patrick Hurley was Roosevelt's chosen instrument for that purpose and he acted with results well known now as outlined in the State Department's White Paper of 1949, and other documents.

The last time I saw the President he had just heard about a breakdown in the negotiations Hurley had been conducting between Yen-an and Chungking. It was "very disappointing news"—after earlier reports that a formula had been worked out satisfactory to both sides. The President said Chiang Kai-shek had "raised some perfectly absurd objections" to Communist Yen-an's requests for certain guarantees—along the lines of a bill of rights—which appeared "perfectly reasonable" to F.D.R.

Roosevelt was more than ever puzzled by Chiang Kai-shek as

a man and a politician. He asked what I thought of Chiang and I replied briefly along lines I had already written in *The Battle for Asia*—not very flattering, I fear. He said “hmm” and went on: “I never was able to form any opinion of Chiang in Cairo. When I thought about it later I realized all I knew was what Mme. Chiang had told me about her husband and what he thought. She was always there and phrased all the answers. I got to know her, but this fellow Chiang—I never could break through to him at all. I’m hoping Pat Hurley will be able to tell me a little more when he gets back.”

We spoke further of the Chinese Communists and whether they were aiming at a proletarian dictatorship—whether they were “real Communists” or—as some people then claimed—only “agrarian reformers.” I said (which I repeatedly wrote) that their immediate (tactical) program was agrarian reform—or agrarian equalitarianism—but that they were Marxists and their *ultimate* goal was Communism. Their ties with Moscow in recent years had been largely ideological; they had received no military aid from Russia for a decade. Now it was a question open to speculation how closely Moscow could control them in the future. One way to find out might be to establish closer ties with them in the common war against Japan.

The President asked a few questions about what, concretely, the Eighth Route (Red) Army could do with our aid in North China. He then said we were actually planning to land supplies, liaison officers and commando units on the North China coast as we got closer to Japan. Heretofore, I knew, we had given no military help whatever to the Chinese Communist forces and naturally I assumed that in North China we would try to find representatives of the Kuomintang to act as our contacts with the guerrilla forces. I wondered how the Reds would react to that.

“I suppose the position is that as long as we recognize Chiang as the sole government we must go on sending all supplies exclusively through him? We can’t support two governments in China, can we?”

“Well, I’ve been working with two governments there,” the President responded, throwing his head back decisively, “and I intend to go on doing so until we get them together.”

The Marine Raiders obviously were tailor-made for the North China operation, and their inspired leader, Evans Carlson, was one of the few American officers known to and respected by Kuomintang and Communist commanders alike. I had heard F.D.R. speak of Carlson and I knew the esteem in which he had held him ever since Carlson commanded the presidential bodyguard at Quantico. White House backing had been important to Carlson in overcoming stubborn old-line Marine opposition to the whole unorthodox Raider

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training system—one of the few original ideas in combat indoctrination introduced by our armed services during World War II. James Roosevelt had been Carlson's executive officer and later commander of the Second Raider Battalion.

"I'd like to put Carlson in charge of that show up there in North China," the President now answered my unspoken question, "but the brass won't hear of it. Say he's too much of a Red!" He snorted.

"Evans is no Communist," I said, "he's one of those people Dostoevsky's policeman called far more dreadful—a Christian who believes in God and also believes in socialism!"

"That's what I keep saying to the brass, but the brass can't see the difference." He laughed scornfully. "I told them to find somebody else as good as Carlson, but they haven't had any luck so far!"

This last conversation reflected, I felt, a certain new coolness in Roosevelt's attitude toward Chiang Kai-shek, and a growing impatience with his obstinate resistance to basic changes necessary for his own self-preservation. It was now five months since the Generalissimo had won his personal victory by forcing the President to recall General Stilwell rather than give him the authority to reorganize, retrain, and re-equip (as Chiang's first deputy) the demoralized government forces, and otherwise to impose minimum reforms in the regime itself, without which its days were clearly numbered. The Generalissimo had his way—but at the expense of bringing to Roosevelt's close attention the most noisome details of the inner corruption, nepotism, incompetence, and cynicism of Chiang's own military and political household.

It is hardly to be doubted that when the allies met at Yalta, and discussed Russia's entry into the Far Eastern war, Roosevelt's fresh recollection of Stilwell's dismissal by Chiang must have made it easy for the President to concede the necessity for the terms of the Manchurian occupation which Stalin demanded. What a difference it might have made if Chiang had given Stilwell command, and he had thus been able to hold him—and through him, the U.S.A.!—responsible for the integrity of Manchuria after the war. Even if the terms of the Yalta treaty had been the same the end results might have been vastly different. Had Stilwell been in command of Chiang's forces in Manchuria the United States would quite probably have found it impossible to avoid a major intervention on behalf of the Generalissimo's regime once civil war began there.

Meanwhile, Roosevelt obviously regarded the presence of our diplomatic and military observers in Yenan as a form of "working



together"—and an earnest of American material support to come. It made sense in the context of the day, as an extension of the logic of wartime collaboration with Russia—in the hope of "bringing them back into the family." In actuality all talk of United States military cooperation with Yenan apparently ended after Roosevelt's death, while Japan's quick surrender after Hiroshima precluded any kind of commando ventures in North China.

By 1945 I was personally very skeptical about the future of our relations with Russia, but when I saw the President in March of that year his optimism was so contagious that it dispelled most of my fears. He spoke with absolute conviction of his ability to "get along" with the Russians. Shortly afterward, just before he died, the President had a serious dispute with Stalin over the thorny Polish issue. Some commentators have since said this "disillusioned" Roosevelt shattered his hopes of continued collaboration for peace, but evidence for this view is scant. (It is to me incredible that Roosevelt could have permitted one incident to cause him to abandon overnight a purpose for which he had worked so ardently throughout the war.)

Had F.D.R. lived a few years longer he doubtless would have had many sharp and bitter disagreements with Stalin as they faced the complicated tasks of writing the peace. Indeed, Stalin had warned him of the coming troubles, at Yalta; but in his closing words at that conference the Russian leader had also expressed his conviction that it was their solemn "duty" to see that "relations in peacetime remained as strong as in war." Perhaps matters would have deteriorated just the same; perhaps not. But it is most likely that Roosevelt would have left nothing untried, within the limits of his power and his imagination as a great politician, to avoid the sterile decade of the cold war—the enormous waste in the old armaments race again seeking national security in terms of the chimera of absolute armed supremacy.

For Roosevelt clearly and wholeheartedly believed in the alternative of frankly and realistically accepting the Russian giant as a great and dreadful neighbor with whom we had to learn to live and share world power and responsibility and whom we had to try to understand if we could not learn to like.

That, in effect, is what I concluded about him. When I saw him in May of 1944 I had just finished reading Forrest Davis' series of articles called "The Great Design." Published in the *Saturday Evening Post*, they gave an exposition of Roosevelt's objectives and supposedly were based on his off-the-record remarks. From them it was to be inferred that Roosevelt's Russian policy aimed to remove

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Russia's historic fear of encirclement and exclusion from Europe, to convince Stalin that capitalist democracies were capable of accommodating necessary changes by peaceful means, to extend a helping hand to Russia as a "member of the family" in exchange for her cooperation in enforcing world peace, and to open up broad possibilities of useful competition between the two systems both adhering to an international defense organization—as opposed to reversion to Marxist dogmas about "inevitable" violence and war to achieve revolutionary change.

I asked the President whether Davis had correctly interpreted his views. "Yes," he said, "Forrest did a good job."

I asked whether his approval of the series included Davis' use of the phrase "the great gamble" to describe our policy toward Russia.

He said "gamble" was not the word. Was it a "gamble" when there was no real alternative to working with Russia except to begin preparing right then for World War III? "I am all for trying to make a (durable) peace after this war, and a world we can live in, together."

He had done his best at Teheran, he said, to convince Stalin of America's good will and his own good intentions. Characteristically, he had made warm personal efforts to "educate" Stalin about the ways of democratic power in America—particularly the power of public opinion—as factors which must be taken into consideration in our relations.

"In fact the biggest thing I accomplished at Teheran," he went on, "was to get Joe Stalin to see some of my own problems here. I told him, 'You know, I have troubles you don't have at all. You don't have to worry about being re-elected, for instance.'" He paused to grin sardonically. "'Now I know you have a problem in Poland, but I wonder if you realize that I have a Polish question, too? We have a lot of Poles in our country and they want a strong, independent Poland after the war, and if you want me to play ball with you about Poland you have to remember that. We have about a million Polish votes in the United States and I have to take that into consideration.'"

"Well, a detail like that—I'm sure Stalin had never thought about it in that way at all. He seemed very much surprised. He said he had no desire to cut down the size of Poland . . . but he wanted to get the Ukrainian part of Poland back inside Russian borders. We all agreed that East Prussia should go to Poland—and Stalin had 'no objection' to that.

"Now, East Prussia is bigger than the disputed area in the Ukraine and has a coastline on the Baltic of course. It's much richer

territory than the Polish Ukraine. Tony Biddle has been all over that (Ukrainian) territory and he tells me that before the war he used to go hunting there with Polish noblemen and he says it's not good for anything else (! E.S.). Most of it won't grow crops. So if what Stalin wants is to get these noblemen's estates and give the Poles East Prussia in exchange there shouldn't be any objection to that, should there?"

He thought Russia's legitimate territorial demands could be worked out—as could all reassurances along security lines—but what he was trying to get Stalin to see was that public opinion counted and procedure was important, if Russia were to get a good hearing. (Roosevelt may have been thinking of a lot of German voters at home, too, as a reason for not saying anything publicly about the East Prussia deal; the war hadn't lasted long enough.)

"I told Stalin I was the only one of the three who could not make any hard promises, as Congress would have the final say on all these things. Then I explained a little about how our government works and what the limitations on my power are. He hadn't thought about these things and seemed much interested. I also told him something about our press and how to interpret it. 'Don't get hot under the collar,' I said, 'every time Colonel McCormick or Hearst takes a crack at you. They don't represent me or my Administration and they don't represent the majority of the people.' He seemed relieved to hear that."

At the end of December, 1944, when I returned home for two months, I sent F.D.R. a memorandum of a long conversation I had just had with Max Litvinov, an old acquaintance who was then still deputy foreign minister in Moscow. Max was the one Russian in the foreign office who occasionally talked freely to me, off the record. This time he had asked me not to discuss our conversation with anyone in Russia—but said there were several things he would like Roosevelt to hear, if I should see him. I thought his warnings about Russian aims in Poland—which he supported—and his conviction that the Allies were going to develop fatal misunderstandings over Germany, important enough to communicate to F.D.R. at once. Max had no power but more brains and experience than anyone in the Narkomindel.

A few days later Mr. Roosevelt wrote thanking me warmly for the Litvinov notes, in which he said he was "tremendously interested." He suggested that I wait until "after the Inauguration, etc." to see him. The "etc." turned out to be his trip to Yalta, from which he did not return until February 28, when I was about to leave for Europe again. I sent him a note to say goodbye, and was notified

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by the White House that he would like to see me on March 3.

I was surprised that the President had found time to read some of my reports. He criticized me for "pulling my punches about the British" in what I had written about India, in *People On Our Side*. I was "too easy on them." He seemed to think I should have laid down the law to Churchill about what to do with India.

"You know, the Russians don't trust the British. I was surprised how at our meetings the Russians readily agreed to everything I said and how they seemed to hold back whenever Winston wanted anything." He went on in this vein, citing instances, and baiting Churchill good-naturedly. Now, as a year earlier, it was obvious that he liked to think of himself as the peacemaker holding the Big Three together. He was the middle-of-the-roader—with the Tory Churchill on his Right and the Bolshevik Stalin on the Left—himself the cement of a true united front.

"I got along absolutely splendidly with Stalin this time," Roosevelt said almost exultantly. "I feel I finally got to know the man and like him."

Recalling Litvinov's notes, full of pessimism, I asked him about the doubts expressed—particularly the prediction of a breakdown of the alliance over failure to agree on a common program for Germany. He dismissed them with airy optimism. Yalta had put everything straight. I asked whether he knew the Russians intended to use their "Free Germans" and captured officers to set up their own administration in Germany.

"Don't you think the Russians intend to use these people for administration of the areas they occupy, and won't this lead to two kinds of government there?"

"Of course they are going to make use of their Germans to help administer and police."

"Their Free Germans are Reds. Doesn't that mean we won't be able to have a common policy (with Russia) in Germany?"

"Obviously the Russians are going to do things in their own way in areas they occupy. But they won't set up a separate administration (independent of the Allied Control Commission) to rival any arrangement made for all Germany."

Actually nothing had been settled about that "arrangement," but it was obvious Roosevelt believed that, after Yalta, future questions could all be solved by mutual compromise. "I got the impression that the Russians are now fully satisfied and that we can work out everything together," he said. "*I am convinced we are going to get along.*"

Now, I think, "*Obviously the Russians are going to do things their own way in the areas they occupy*" is probably the controlling phrase in that colloquy and perhaps in Roosevelt's thinking of the time. It was a key to any entente with Russia which might have continued into the postwar period and perhaps it was the only key. For surely no one could reasonably have doubted that the Russians, after ten (or twenty?) millions or more of them had been killed by Hitler and his Eastern allies, and twenty years of labor had gone up in smoke and ruin that laid waste the richest part of the country, would "do things their own way in the areas they occupy"—unless we were ready to use force to compel Russia to "do things our way," and then "begin preparing right then for World War III."

In fact we went far toward legalizing that principle during the war when we and the British signed the armistices laid down by Stalin for the Balkan countries. Explicitly, those armistices—initialled for us by then Ambassador Averell Harriman—authorized the Soviet high command to suppress all anti-Soviet and anti-Russian activity. And implicitly they authorized Russia to support pro-Communist and pro-Soviet regimes in the former Hitlerized states. Moreover, the agreement made at Yalta about Poland, despite its face-saving concessions to the Polish émigrés in England, left no reasonable doubt that the Russians were "going to do things their own way" in Poland, too, where they were bound to be the major influence in the formation of postwar government for some time to come. We might have set specific limits to the degree of that influence and the way it should be exercised, but we waited too long to do so, and after 1944 it was too late. That we could have superseded or altogether excluded Russian hegemony there (without war) was, however, fantasy.

General acceptance of that reality—the emergence of new spheres of influence as a "natural" outcome of the war and hence the "natural" foundations of the peace which had to be built on it—surely was the underlying reason for the success of Yalta, if "success" it was. To me that alone explained the optimism shared there by highly sophisticated politicians on both sides who had for years distrusted each other and whose very political existence depended on avoiding self-deception.

Harry Hopkins expressed the fear, in the buoyant moments following Yalta, that the death of one man might quickly wreck all their hopes. "We were absolutely certain," he told Robert Sherwood, "that we had won the first great victory of the peace, and by 'we' I mean *all* of us, the whole civilized human race. The Russians had proved that they could be reasonable and far-seeing and there wasn't any doubt in the minds of the President or any of us that we could live with them and get along peacefully for as far into the future

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as any of us could imagine. But I have to make one amendment to that—I think we all had in our minds the reservation that we could not foretell what the results (of Yalta) would be if anything should happen to Stalin."

Stalin! It seems ironic that Hopkins, of all people, should have feared possible failure growing out of an untimely death, not for Roosevelt, but for Stalin. Reared in a democracy, where no man is considered indispensable, it is difficult for us to believe that the severance of anything so tenuous as the relations of one individual with a given time could decisively change our fate. And perhaps that was not true of Roosevelt; perhaps the cold war had to be followed inexorably to its foreseeable end—the present mutual toleration imposed solely by profound mutual fear, or what Churchill himself finally recognized and correctly named peace by balance of terror.

Given Stalin's arrogance—buttressed by unexpected successes climaxed by the windfall of Communist triumph in China—and the deceit, malevolence, and unbalance now attributed to Stalin even by his old lackeys and present successors, and the whole one-world, one-family concept may to some appear even more Gandhiesque than ever. Could it possibly have been kept viable by the prolongation of one man's life? Preposterous? And yet it is easily possible to list, among the mutual provocations which so swiftly destroyed the "great design," half a dozen errors committed on our side which, at the outset, Roosevelt would most certainly have avoided. To mention but two: the summary cessation of all United States aid to stricken Russia immediately at the end of the war; and the amazingly mischievous and disastrous speech Churchill was invited to deliver at Fulton, with President Truman's blessings.

All that is idle speculation, yes. But now that we have perforce abandoned two-dimensional notions of "containment" and "roll back," and the Russians have had to dump the dogma of "inevitable war" in favor of the inevitability of competitive co-existence, it does at least seem possible again that Roosevelt was closer to the practical processes of history—those biased in favor of man's survival—than his bitterest and most cynical critics.

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*Negotiation on the assumption of moral superiority may succeed in marginal conflicts, but in central conflicts it is self-defeating. Self-righteousness is a rock on which negotiation always founders.*

—American Friends Service Committee, *Speak Truth To Power*.

## MILITARISM AND AMERICAN TECHNOLOGICAL AND SCIENTIFIC PROGRESS

BY PAUL A. ROSEN

Left-wing publications have frequently pointed out that American militarism is a basic economic and political prop supporting a shaky capitalist system. For example, the point was convincingly made in the MR editors' "We Can't Win the Cold War" (March 1956). It is less often noticed that the dependence of the United States economy on militarism takes not only the obvious form of providing a military demand for what would otherwise be unsold (and therefore unproduced) goods but also certain other forms which are less apparent but perhaps no less important. This article sets forth the thesis that American prosperity and economic progress depend upon scientific and technological progress, which in turn receive their chief stimulus from militarism. The article then examines some of the implications of this situation. To illustrate and support our basic thesis, we shall refer throughout to the recent Congressional *Hearings and Report on Automation*.\*

If the capitalist economy is to function in the somewhat acceptable manner of the past decade, it must continue to expand. Mere maintenance of a high level of demand and production is not enough. For both internal and external reasons, economic growth is essential. The internal necessity for growth is rooted in the nature of a capitalist economy. In such an economy production normally *exceeds* private plus governmental consumption. This is the case because the upper-income groups and large corporations save a substantial portion of their incomes. If total demand is not to shrink, causing a decline in output and a rise in unemployment, private business must continuously invest in additional plant and equipment, and this means the productive capacity of the economy must continually grow.

The external necessity for growth arises from the competitive

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*Paul A. Rosen is the pen name of a university professor of economics.*

\* *Automation and Technological Change*, Hearings before the Subcommittee on Economic Stabilization of the Joint Committee on the Economic Report, 84th Congress, 1st Session, Oct. 14, 15, 17, 18, 24, 25, 26, 27, 28, 1955 (Washington, 1955); and *Automation and Technological Change*, Report of the Subcommittee on Economic Stabilization to the Joint Committee on the Economic Report, 84th Congress, 1st Session (Washington, 1955). These will hereinafter be referred to as *Hearings* and *Report* respectively.

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nature of coexistence with the socialist countries. A large part of the world is watching with intense interest the comparative performances of capitalism and socialism in fostering economic growth. Many of the world's uncommitted nations and peoples will turn more rapidly and decisively toward socialism if capitalist economic development fails to keep pace with socialist development.

Now, the growth required by the United States economy depends to a substantial extent upon technical and scientific advance, especially in the field of electronics, atomic energy, and many areas of chemistry. The relationship between scientific and technological progress on the one hand and economic expansion on the other has two aspects. First, technological progress opens up profitable investment opportunities for private capital, thus promoting the high level of spending that is necessary for prosperity. This is related to the internal necessity for economic growth in the capitalist system. Second, scientific and technological progress constitutes the necessary basis for continuing increases in productivity, that is to say, increases in output per capita. Since the productivity of the American economy must increase at least as rapidly as that of the Soviet economy if the United States is to preserve world capitalism for long, the second aspect of scientific progress is closely related to the external necessity for American economic expansion.

From our present point of view, what needs to be specially emphasized is that the scientific and technological advances that are so necessary for United States economic growth have depended largely on military stimulation during World War II and the subsequent years of cold war. The basic knowledge and personnel have been developed largely through military spending. This is true of developments in universities (where scientific research is largely financed by government grants) as well as in private industry and government agencies. Thus, the Subcommittee on Economic Stabilization states: "The fact is that much of the knowledge and personnel upon which we are drawing so heavily today comes as a by-product of the military background of the past decade. Under the necessity of war and defense expenditures, the Federal Government has contributed immeasurably to the building up of a comfortable present supply of trained personnel." (*Report*, pp. 8-9.) Similarly, when Dr. A. V. Astin, Director of the National Bureau of Standards, was asked, "How much of the impetus for the present wave of research and progress in the sciences would you attribute to war and defense expenditures . . .?" he responded: "I think that the great majority of it is probably due to that. It is my feeling that this is one of the so-called beneficent returns of the war. That is, there were substantial developments made of necessity to solve the immediate war problems.



## MILITARISM AND PROGRESS

Certainly, the recent advances in high-speed computing machines were stimulated by war needs. . . . I could cite scores of similar examples. . . ." (*Hearings*, p. 584.) The eminent president of the Carnegie Institution, Dr. Vannevar Bush, pointed out to the Committee a fact of which few Americans are aware. "Until recently," he said, "we were far behind Europe in our support of basic science and in our production of basic scientific results. We derived a great deal of our basic science from Europe. Since the war we have been improving in this regard, until we are taking our place among nations as outstanding in many fields of basic science." (*Hearings*, p. 631.)

Nevertheless, despite the tremendous military impetus to science and technology, the United States is not progressing as rapidly as the Soviet Union—and this is because of certain defects in our "individual enterprise system" (as the National Association of Manufacturers calls it). Financial ability is still the chief requirement for a college education. Professor Walter S. Buckingham, Jr., of Georgia Tech, testified: "A recent National Science Foundation study shows that out of the upper 25 percent of high-school students about half are unable to go to college and another 13 percent drop out before finishing college. Thus, nearly two-thirds of those with the greatest potential for scientific leadership never receive a college education. Less than one-quarter of 1 percent of these ever continue their education through to the doctor of philosophy." (*Hearings*, p. 35.) Moreover, discrimination prevents many Negroes and members of other minority groups from acquiring background adequate for college study, and the tax resistance of real estate and other groups blocks adequate financial support of our public education system. Thus Dr. Astin testified:

I think that the critical area is the high-school level and it is primarily high-school teachers. I don't think we pay our high-school teachers enough, and I don't think we can get teachers who will inspire people to take up science and engineering as a career. . . . As you know, we had a number of scientists attend the Geneva Conference and talked with the Russian scientists who were there. . . . [The Russians] pay their science teachers more than anybody else. They give special bonuses of extra good homes or summer homes, and things of this sort, to their science teachers. In other words, they have a situation where a man who is teaching science will get more than a man who is doing research or engineering. . . . We should seek to get better qualified high-school teachers and we can only do this by paying them more. (*Hearings*, p. 587.)

Soviet training of scientific and technical personnel is much more impressive than ours. The most frequently cited statistics at

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the Automation Hearings were these: "The United States will graduate 27,000 engineers and 50,000 technicians in 1956 compared to 45,000 engineers and 1,600,000 technicians of comparable quality who will be graduated in the Soviet Union." (P. 35.) And no less a personage than Dr. Bush testified that the Russian teaching "is especially well done." (P. 616.)

If, even with massive military stimulation, the United States is lagging behind the Soviet Union in training expert personnel (the "raw material" essential for scientific and technological progress), could we hope to keep pace in a more peaceably oriented economy? Obviously, it would be necessary to have something to take the place of militarism. The experts' suggestions on this score do not sound promising. One cannot avoid the impression that the speakers themselves are not very sanguine about their own suggestions. For example, Professor Buckingham suggests that "business firms will find it in their own economic self-interest to increase the endowments of colleges and universities, to make possible more scholarships, so that deserving, qualified, but impoverished students can go to college. These are students who otherwise would not be able to do so. I think large corporations also may very well find it in their interest to set up training programs. . . ." (*Hearings*, p. 41.) The Committee itself can only say:

Under our traditional system of education, the first responsibility for this must fall upon the local communities and the individuals and business directly interested in specific kinds of skills and expertness. . . . Industry and the colleges themselves must take over [in place of military and defense expenditures] and give adequate civilian support to technical education. In many ways the question is not simply one of Federal support or no Federal support. It is a question of finding and accepting a peacetime program to take the place of in-service training of technicians, the war-accelerated and militarily sponsored college programs, and the later support and encouragement of education afforded by the so-called GI bill of rights. (*Report*, pp. 8-9.)

Actually, the realistic and concrete thinking about solutions to the United States training lag does not run along the lines of what can be done to *supplant* military stimulation of the sciences, but what must be done to *supplement* it.

One can easily picture the kind of program that the United States would have to embark upon in order to foster science and technology as effectively as the Soviet Union does. Much more government money would be required for school buildings, equipment, teacher training and teacher salaries, from the elementary to the graduate level. Discriminatory barriers would have to be broken

down. It would be necessary to multiply by many times the subsidies to pure science and research. A widespread program of free college and graduate education to all capable students would be required. Much more than tuition would have to be taken care of in such a program; the students would need subsistence payments as under the GI Bill of Rights in order to support themselves while studying. In a word, a broad program dedicated to the public welfare would have to be implemented; the country would have to take a long step toward the "welfare state."

Socialists should not dogmatically assert that an approximation to such a program is *impossible* under capitalism, but there is no doubt that it would run into formidable opposition from ruling-class circles. Such a fundamental reorientation would require considerable time or some considerable shock to the capitalist system, or quite possibly both. The ruling class fears extensions of government welfare activities; it is afraid that each step down the primrose path from the "individual enterprise system" to the "welfare state" makes the next step easier for the people and more attractive. This is dangerous, for the ruling class does not hold the reins of government power as firmly as it would like. There is always the danger of another New Deal—or worse.

Let us now recapitulate the argument so far, dividing it into two parts so that we may more clearly draw two conclusions. First, we have seen that the American economy must experience growth in order to remain more or less prosperous and in order to compete with the socialist economic system. Economic growth requires (among other things) scientific and technological progress, and this has been fostered in the United States by militarism. The more rational alternative—peaceful stimulation of American science—is rejected by the ruling class as constituting a mortal threat to the capitalist system. Thus we may conclude that, aside from any other reasons, the American ruling class has a tremendous stake in militarism because of its technological and scientific effects.

Second, it is becoming evident that even militarism has not proved a potent enough economic stimulus to American capitalism. The ruling class is therefore endeavoring to fashion other stimuli to supplement the military one. This attempt may or may not be successful, but we maintain that even if it is, the recourse to militarism as a means of dealing with certain economic problems confronts American capitalism with another potential giant contradiction.

Should a dangerous state of world tension continue and should the Soviet Union, like the United States, continue to devote a large portion of its resources to armaments, this potential contradiction

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will not manifest itself. But if the Soviet Union were in some manner to lighten its military load while American capitalism is driven to continuing reliance on the arms stimulus, the contradiction will manifest itself with ever increasing severity.

For the military program which is at present supporting scientific and economic progress at the same time seriously retards that progress. American scientists have frequently testified that the "security"-conscious cold war atmosphere impedes scientific development. The military draft interferes with the training of young scientists. (See *Hearings*, p. 616, for the testimony of Vannevar Bush on this point.) But most important, the military program dissipates the capital which is the very essence of economic development. The manpower, skills, equipment, and materials which could be used to turn out a widening flow of capital goods is diverted instead to the production of economically useless armaments. Each time we produce a military good instead of a capital good, we are depriving ourselves of potential ability to produce. The economic growth of a nation with a big armaments program tends to fall (at an accelerating rate) ever further behind the potential economic expansion of that country. For example, a country which, with a large military program, experiences an annual 3 percent increase in productivity and which, if the military program were dropped, could enjoy a 5 percent annual increase, would fall behind its potential productivity in the same way that the growth of a sum of money at 3 percent compound interest falls increasingly short of the growth of that same sum at 5 percent. Thus, the drug (militarism) that an irrational capitalist system requires as an economic stimulant proves in the long run to be a depressant that retards economic growth.

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*Organization for modern war demands fundamental changes in the values of our society. The organizational, cultural, and spiritual framework of a society prepared to wage modern mass warfare is incompatible with the framework of a society that sustains democratic and human values. War preparation now requires organizing society itself as an army, with information and control wholly in the hands of the wielders of power. Obviously, this is incompatible with democracy. We believe therefore that the commitment to violence inherent in our containment policy can only be carried out at the expense of the very democracy we seek to protect.*

—American Friends Service Committee, *Speak Truth To Power*.

## WORLD EVENTS

*By Scott Nearing*

### Masters of Double Talk

Half a century ago the Association of American Advertisers began their defense of truth through the medium of double talk. One of their first honorary degrees (P.M. D.T.) was conferred upon President Woodrow Wilson for his felicitous description of the 1917 Conscription Act: "This is not in any sense a conscription of the unwilling, but the volunteering of a nation en masse." President Eisenhower has earned his Past Master of Double Talk diploma by the phrasing of his second inaugural address on January 21, 1957.

From the deserts of North Africa to the islands of the South Pacific, said the President, there is want, discord, and danger. "The divisive force in our time is International Communism." The avenue of escape from turmoil to peace lies through freedom. "We cherish our friendship with all nations that are or would be free. We respect no less their independence and, when in time of want or peril they ask our help, they may honorably receive it, for we no more seek to buy their sovereignty than we would sell our own."

One of President Eisenhower's last official acts before the end of his first term was his proposal to a joint session of Congress, on January 5, for preserving the status quo in the Middle East. He based his proposal on three "simple and indisputable facts: (1) The Middle East, which has always been coveted by Russia, would today be prized more than ever by International Communism. (2) The Soviet rulers continue to show that they do not scruple to use any means to gain their ends. (3) The free nations of the Middle East need, and for the most part want, added strength to assure their continued independence.

"Our thoughts naturally turn to the United Nations as a protector of small nations," the President continued. "The United Nations can always be helpful, but it cannot be a wholly dependable protector of freedom when the ambitions of the Soviet Union are involved."

The Washington government, President Eisenhower said, has shown "our dedication to the principle that force shall not be used internationally for any aggressive purpose and that the integrity and

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independence of the nations of the Middle East should be inviolate. . . . There is a general recognition in the Middle East, as elsewhere, that the United States does not seek political or economic domination over any other people. . . .

"Many, if not all, of the nations of the Middle East are aware of the danger that stems from International Communism and welcome closer cooperation with the United States to realize for themselves the United Nations goals of independence, economic well-being and spiritual growth."

In order to achieve these purposes, the President made three proposals: *First*, the Washington government "would cooperate with and assist any nation or group of nations in the general area of the Middle East in the development of economic strength dedicated to the maintenance of national independence." *Second*, Washington "would undertake in the same region programs of military assistance and cooperation with any nation or group of nations which desires such aid." *Third*, Washington would employ "the armed forces of the United States to secure and protect the territorial integrity and political independence of such nations, requesting such aid against overt armed aggression from any nation controlled by International Communism."

"In its search for peace and its desire to protect the world against the menace of International Communism," the President continued, the Washington government has "security treaties with 42 other nations, which recognize that their and our peace and security are intertwined. . . . Thus, the United States . . . has manifested in many endangered areas its purpose to support free and independent governments—and peace—against external menace, notably the menace of International Communism."

Surely this Middle East message, plus the Second Inaugural entitle the President to his P.M.D.T. degree. He begins his argument with the assumption that our "time of troubles" is due to International Communism. His first premise is that the United States stands for freedom. His second premise is that freedom can be assured not through a strong United Nations but through a well-armed United States. His conclusion is that a well-armed United States will promote freedom in the Middle East. Each of the four terms in his logical formula is either fallacious or mendacious or both.

Now for a few words of history and common sense:

(1) United States economy, in 1957, leads the world in industrial production and marketing; in goods and capital export; in the extent of its foreign aid.

(2) The armed forces of the United States, its stockpiles of

atomic weapons, and its guided missiles are second to none.

(3) Washington now has, beyond the frontiers of the United States, some 900 air and naval bases and military installations occupied by about a million men in uniform. These installations are so located as to give Washington effective command of the Atlantic area, the Pacific area, and most of the Mediterranean basin.

(4) If the Middle East can be subsidized economically, and occupied militarily, Washington will have a chain of economic commitments and military strongholds that will circle the entire Northern Hemisphere, with the exception of India.

(5) This world-girdling economic and military encirclement will put under the control of one nation an iron ring around the land areas occupied by "International Communism," at the same time that it provides Washington with economic and military domination over the world's principal land masses, thus ushering in the American Century.

Presidential double-look sees this position as non-aggressive and purely defensive. Presidential double-talk describes the outcome of this power imbalance as peace and order in the best of all possible worlds, owned and operated by United States Big Business.

### Japan Reaches for Power

Three important changes were made in Japan's public life over the year's end: (1) admission to the United Nations; (2) a peace treaty with the Soviet Union; and (3) a governmental shake-up, with a new premier, representing much the same party and class line-up. All three events were hailed by the Japanese press as hopeful signs for 1957. Actually, all three combined had little influence upon the difficulties which the Japanese face in the coming year.

Twenty years ago, Japan was the leading power in Asia. It was ahead in production and trade, in political influence, in fighting strength. During the fateful 1937-1957 decades, Japanese industry and housing suffered heavy war damage, her merchant fleet was virtually destroyed, the country was defeated militarily, shorn of its colonies, subjected to a devastating inflation, and saddled with onerous war indemnities. Under the peace terms forced upon Japan in the 1951 San Francisco treaty, the country is occupied indefinitely by the military forces of the victor powers and must accept a form of government prescribed by the occupation.

Japan, in 1957, is overpopulated, under-housed, faced by a large surplus of imports over exports, and plagued by an inflation that makes 360 yen equal one United States dollar. The Japanese people are working hard and living frugally, though food and most con-

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sumer goods are abundant. Evidences of physical war damage have practically disappeared.

Politically, Japan is occupied by about 130,000 foreign troops. Sea and air approaches to the 2,000 islands making up the Japanese archipelago are dominated by United States-controlled bases located in Japan, Alaska, the Philippines, Okinawa, South Korea, and Formosa. Each year the military occupation spends about \$400 million in Japan, thus covering most of the trade deficit of exports under imports.

Japanese economy depends upon imported food and raw materials, paid for largely by exports of manufactures and such services as water and air transport, provided by Japanese ships and planes. This bottleneck brings the Japanese economy face to face with the problem: where to sell?

The most lucrative market is the United States and Canada. Japanese labor costs are so far below the United States-Canada level that consumer goods such as textiles can pay the tariff and undersell North American producers in their own markets. After four months of negotiations which ended in mid-January, 1957, Japanese producers agreed that their exports of cotton textiles to the United States would not exceed 235 million square yards annually. These agreements represent heavy cutbacks from the Japanese exports to the United States for 1956 and 1955.

If Japanese exporters find the North American and European markets closed against them, three other areas are available: China, South East Asia, and the Soviet Union. The United States, chief occupying power of Japan, is presently blockading China and grudgingly allowing some categories of goods to enter the Soviet Union. A Reuters dispatch from Tokyo, dated January 20, reports that Japanese exports to mainland China doubled from \$28 million in 1955 to \$69 million in 1956. Before 1937, Japanese business concerns shipped one-quarter of their exports to the Chinese mainland. An important group in Japan, led by Prime Minister Ishibashi, has risen to office on a program calling for trade with China, the Soviet Union, and South East Asia.

All through this winter a Japanese merchant ship, the 8,800 ton S.S. Nissho Maru, fitted up as a "floating fair" and filled with exhibits of Japanese-made machines, has been visiting South East Asia. After touching at Saigon, Bangkok, Rangoon, and Colombo, it is at this writing anchored in the harbor of Bombay.

Every shop in South East Asia is filled with consumer goods "made in Japan." Ten years after the war's end, Japanese industry is resuming its role as the chief workshop of the Far East.



## Red Mecca

Britain's Crown Colony of Hong Kong consists of Hong Kong island, the mainland peninsula of Kowloon, and some adjacent mainland, leased from China in 1898, known as the New Territories. Hong Kong island is separated from Kowloon by half a mile of water. Twenty miles from the Kowloon docks is the southern boundary of mainland China. There the British concession ends. Beyond this barbed-wired, heavily-guarded frontier stretches the blockaded area of the Chinese Peoples Republic. Washington is responsible, in the main, for the blockade, although the border north of Kowloon is patrolled and guarded by British troops.

A small party of us drove out from Hong Kong to view the New Territories. For two hours we threaded our way through dreadful slums, past the congested new resettlement housing units built by the Hong Kong government to take care of the million Chinese who have pushed their way into Kowloon since 1949. Wherever we stopped the car, children and adults surged up and around us, begging or silently staring.

After driving through miles of country roads, by occasional groupings of squatter huts and closely worked gardens, our car stopped on a bit of sloping highway. Said our guide, pointing north: "Between those two hills you can see the pass into China. This is the high point of our trip. I will take you closer." We were about two miles from the pass, an unimpressive declivity between the surrounding hills.

We started again, circling toward the north. This time when we stopped we were perhaps a mile from a pile of buildings on a low hill—the British observation post which commanded the southern approaches to the pass.

We moved on again. The paved road ended suddenly in a dirt track. We dismounted, scrambled up a hillside through a cemetery and came out in full view of the line of barbed wire which marked the border. Far over the fields was a series of high solid-appearing buildings.

"Those," said our guide, "were gambling joints and opium dens in the old days. People came up here from Hong Kong, crossed the border to these places and enjoyed themselves. Today gambling and opium smoking are forbidden in Red China. Red border guards now quarter there."

While we were looking north across the barbed wire, two other groups of people clambered up through the cemetery and looked out across the border. We heard no derisive remark. Local people, whether sympathetic with Communism or not, were aware of the place China

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was assuming as a world power. They told us that in Formosa and Hong Kong living standards were much the same. In Red China, however, the workers lived better than those in Hong Kong. It was the landlords and business men there who fared badly.

Whenever we got a chance in Hong Kong, we asked people whether they would like to visit Red China. All, from officials down to bus boys, answered with an emphatic affirmative. There is great interest and curiosity as to what is going on in the mainland Republic.

Today the border is closed and sealed with printed notices warning passers-by and travellers not to approach the frontier. Tomorrow, or the day after, the notices may come down and the new culture pattern which is developing behind the barbed wire may flood across South East Asia.

### More Freedoms

Travelling in four countries of Western Europe during 1953, our passport read: "This passport is not valid for travel to Albania, Bulgaria, China, Czechoslovakia, Hungary, Poland, Rumania or the Union of Soviet Socialist Republics unless specifically endorsed under authority of the Department of State."

This restriction is marked "Void" in our present passport. Below this void prohibition is stamped: "This passport, properly visaed, is valid for travel in all countries unless otherwise restricted." Then come the restrictions:

(1) "Not valid for travel to or in any foreign state for the purpose of entering or serving in the armed forces of such a state.

(2) "This passport is not valid for travel to the following areas under control of authorities with which the United States does not have diplomatic relations: Albania, Bulgaria and those portions of China, Korea, and Viet Nam under Communist control."

We were aware of these restrictions and had our schedule arranged to take us through most of the Middle Eastern countries. The United States Consul in Hong Kong, however, added two more stamped restrictions.

(3) "This passport is not valid for travel in Hungary."

(4) "This passport is not valid for travel to or in Egypt, Israel, Jordan and Syria."

That is the record so far, in mid-January, here in Singapore. We are free to visit all countries—except those on the State Department's "No see," "No recognize," "No like," lists.

(continued from inside front cover)

At the time of writing, MR's other editor is traveling around India, studying the operation and aims of the country's Five Year Plan, and lecturing to students and other groups on Eastern Europe (where he was in November and December) and socialist theory. After leaving India on March 15th, Leo Huberman will visit Japan where, according to latest reports from Tokyo, a royal welcome is being planned. We will, of course, be publishing reports on India and Japan in coming issues of MR.

One of our charter subscribers, William C. Randolph of 3148 — 19th St., St. Petersburg 7, Florida, is offering for sale a complete run of MRs from Vol. I, No. 1 through Vol. VIII, No. 8 (92 copies in all) at the very reasonable price of \$24 postpaid. (In judging this price, it is necessary to remember that quite a number of individual issues have become scarce and command a premium price.) This is your chance to build up a complete file, or to make a gift to one of the all-too-many libraries in the country that have never subscribed to the magazine.

We recently had the very gratifying experience of opening an envelope bearing the name and address of an old friend and finding inside the following note: "I am enclosing check for \$100.00. This was collected from readers who feel that you are doing superbly a work of tremendous importance and want to help. In these confused and crucial times we need enlightenment and more enlightenment." This particular friend lives in a middle-sized Eastern city quite far from any of the big metropolitan areas. If there are readers in this city who are willing and anxious to help MR in this handsome way, there must be others of the same mind in literally dozens of communities all over the country. Evidently, what is needed is someone to take the responsibility for speaking to MR supporters and for collecting and sending in contributions. If we had the staff, we could undertake this job ourselves. But of course we don't and therefore must rely on you to take the initiative in your own localities. We hope we will be able to report many, many more similar occurrences in the months ahead.

The last two lectures in the series on American capitalism that Paul Sweezy has been giving for Monthly Review Associates will take place on March 12th and 14th. (Hotel Claridge, Broadway and 44th Street. Associates free, single tickets \$1.50, students \$1.) The subjects of these last two lectures are respectively "The Role of Government" and "An Overall View." Readers who may be interested should not feel deterred from attending because they may have missed earlier lectures in the series. There will be a recapitulation of the general theme of the January and February lectures and plenty of opportunity for questions and discussion.

The Socialist Club of the University of Minnesota asks us to announce for the benefit of Twin City readers the following discussion meetings (the names of discussion leaders are included in parentheses): March 6—Jefferson and Hamilton (David Herreshoff); April 3—American Utopias (Mulford Sibley); April 17—Orestes Brownson (David Herreshoff); May 1—The Reconstruction Period (Michael H. Baker); May 15—Populism in the South (Michael Kaye). All meetings will be held in Room 346 Coffman Memorial Union beginning at 7:30 p.m.

A New York subscriber living in the West 80s adds the following PS to a business communication: "You may be interested to know that when I asked my newsdealer which of certain liberal-radical periodicals sold best, he placed MR first, the *American Socialist* second, and the *New Leader* third."

*Ready in March*

# THE POLITICAL ECONOMY OF GROWTH

by

**PAUL A. BARAN**

Professor of Economics, Stanford University



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